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TAGS: [PGOV](#) [PREL](#) [PHUM](#) [SOCI](#) [KN](#) [KS](#)
SUBJECT: INR A/S FORT'S MEETING WITH MOU VICE MINISTER SHIN
EON-SANG

Classified By: DCM Bill Stanton. Reasons 1.4 (b/d)

11. (C) SUMMARY: In a September 27 meeting, Ministry of Unification (MOU) Vice Minister Shin Eon-sang told visiting INR Assistant Secretary (A/S) Randall Fort that the international community needed to create an environment where North Korea's weapons of mass destruction (WMDs) would be useless. VM Shin said the ROK viewed North-South Korean economic exchanges and subtle social changes in the DPRK as "signs of dawn; soon we'll see the sun rising." Evidence of a market economy was emerging throughout North Korea, he claimed, and if history were a guide, social/cultural change and political/military change would follow. The international community, especially the U.S., had helped accelerate social change by introducing the concept of human rights to North Korea. He cited continued economic exchange and patience with North Korea as ways to further accelerate the North's transformation. The DCM Bill Stanton, who also participated in the meeting, questioned this upbeat assessment, pointing out that North Korea had not been responsive to the ROK's flexibility and that while the world waited, North Korea could produce more WMDs. VM Shin admitted that North Korea sometimes acted irrationally, but that North Korea was "destined" to change. END SUMMARY.

DPRK'S WMDS

12. (C) VM Shin opened the meeting by comparing North Korea to a small animal hiding in a cave, waiting for larger animals outside to leave. It feared, in particular, the large U.S. animal lying in wait outside the cave and prepared to pounce. North Korea was suffering from difficulties, so it was focused on developing WMDs rather than expanding its arsenal of traditional weapons.

13. (C) VM Shin cited economic problems and isolation from the international community as North Korea's principal challenges. "If I were Kim Jong-il," he said, "I would feel that I had no options," adding that Kim Jong-il would wait for the international community--especially the U.S.--to show some flexibility. WMDs posed threats to Northeast Asia and the international community. He said, "If the U.S. convinces North Korea to return to the Six-Party Talks (6PT), it can convince it that WMDs are useless." At the recent summit,

our two presidents had agreed to a common, comprehensive approach, and this was very meaningful to the ROK. "We need to create an environment where North Korea's WMDs are useless," he urged. Meanwhile, it was important to have accurate information and to evaluate North Korea's WMD capabilities. A/S Fort agreed that obtaining reliable information about North Korea was challenging since it was so isolated.

14. (C) VM Shin remarked that the scope of decision-making in North Korea was very narrow; the military made most decisions. He said he believed that the military's hand was evident in the decision to launch the missiles in July.

NORTH-SOUTH RELATIONS

15. (C) In the six years since the Sunshine Policy was begun, there had not been much progress, according to VM Shin, except for an up-tick in economic exchanges. Although these might not seem like much to the U.S., the ROK viewed them as great achievements. He said he believed a paradigm shift had occurred from that of Cold War to reconciliation. He characterized the North-South relationship as having improved, but noted that after the missile launch, the ROKG had suspended aid and dialogue with the North. He cited two examples of the benefits of North-South economic cooperation and reconciliation, both in Gyeonggi Province: (1) the Paju English Village, an immersion village where Koreans could practice English in real-life situations, just seven kilometers from the demilitarized zone (DMZ) and (2) an LG Philips factory manufacturing flat-panel TVs, also very close to the DMZ. (COMMENT: VM Shin's reference to these projects was somewhat perplexing, because neither is a North-South joint economic venture like the Gaesong Industrial Complex in North Korea. The only relation they have with North Korea is their close proximity to the border. END COMMENT.)

16. (C) VM Shin said that he thought the U.S.-ROK alliance was important, and described "good memories" of receiving pencils and chocolate from U.S. soldiers as a child. But he imparted that the North-South relationship was important too. Although Washington thought sanctions against North Korea were necessary, he wanted Washington to be more open to a dialogue with North Korea. The previous day, he noted, North Korean Vice Foreign Minister Choi Soo-heon announced at the U.N. General Assembly that North Korea would return to the 6PT only after the U.S. lifted its sanctions. VM Shin said he realized VFM Choi's comment was repetitive, but it was important that the U.S. show some flexibility toward engaging North Korea.

NORTH KOREAN SOCIETY EVOLVING

17. (C) A/S Fort asked VM Shin whether MOU had any metrics or indicators to study basic social stability in North Korea. He wondered if society's support for the regime was strong, weak, or changing, and how that would affect North Korean decision-making. He cited some past authoritarian regimes in Eastern Europe and the Soviet Union that seemed strong to outsiders, but were actually fragile and brittle, and when they had collapsed, the collapses had happened quickly. A/S Fort asked if North Korea was showing any signs of weakness. VM Shin replied that A/S Fort's question was a core issue. North Korean society seemed stable on the surface, but had suffered poverty and famine for the past 60 years. MOU had, with the help of experts, developed models to evaluate the severity of the situation. VM Shin added that he had visited North Korea many times and had met a range of people from ordinary citizens to the prime minister.

18. (C) Continuing, VM Shin said that in countries like China and Vietnam, there were three kinds of developments that led to a transformation of society: (1) economic changes; (2) societal and cultural changes; and (3) political and military changes. North Korea had gone through the first transformation (economic change) and the next two would

follow. He was starting to detect some changes in policy direction and values. For example, he said that North Korea now recognized and accepted a partial market economy, adapting some elements of capitalism. In addition, the economic system was more autonomous, and the DPRK was beginning to open up to the world. VM Shin said that while some experts downplayed North Korea's economic changes, its market economy now accounted for 22 percent of the overall economy, the same percentage as China in the late 1980s/early 1990s.

¶9. (C) Commenting on changes in North Koreans' attitudes, VM Shin said that in the past, citizens had focused on Kim Il-sung ideology, but now they were pursuing materialism. He recalled telling a North Korean minister that since North Korea was so unified, it must have been easy to control the people, unlike in South Korea where citizens behaved more individually. The minister replied that when they were educating North Korean citizens about ideology, it went in one ear and right out the other, because all they cared about was earning money.

¶10. (C) Asked when these social changes started to take place, VM Shin said after Kim Il-sung's death in 1994, when North Korea suffered economic difficulties and the regime could not meet its people's basic needs. Although "hardliners" in Washington might view these social changes as minimal, the ROK viewed them as "signs of dawn; soon we'll see the sun rising."

ACCELERATING DPRK CHANGE

¶11. (C) A/S Fort asked VM Shin what the international community could do to help speed up these changes. VM Shin said that other countries--led by the U.S.--have already contributed to social change in North Korea by raising the issue of human rights. North Korea responded to the U.S.'s charges of human rights abuse by announcing--through its state-run media--that North Korea did not have a human rights problem. Until that point, the North Korean general public had never heard the term "human rights," but from that point on began to understand the concept. In that way, VM Shin remarked, American neo-conservatives had contributed to North Korean human rights.

¶12. (C) VM Shin cited two ways to accelerate change. First, we had to expand inter-Korean exchanges so that North Koreans could understand South Koreans' values toward human resources. For example, North Koreans could see the favorable working conditions for their work at Gaesong Industrial Complex. He said the mostly female workers there noticed that, after about two months of working at Gaesong, their skin quality improved thanks to taking warm showers every day. Gaesong's better pay and work conditions produced competition among citizens to work there, and the more people who worked there, he pointed out, the more people would be exposed to the benefits of a market economy.

¶13. (C) Second, VM Shin said, the international community needed to show patience toward North Korea. "We must wait until North Korea is ready; applying pressure will only drive North Korea into a corner." The U.S. in particular, he stated, needed to show flexibility. His view of the USG position toward North Korea was based on 27 years of experience at MOU. Drawing on the same analogy he used at the beginning of the meeting, VM Shin said that if a big lion wanted to eat a small rabbit, it could. But the lion had been waiting for years to get concessions from the rabbit. If the lion showed flexibility, the rabbit would respond.

¶14. (C) The DCM said that while he might agree in principle on the need to engage North Korea, North Korea had not responded to the ROK's efforts to be flexible. He cited as an example the recent railroad project that the North had abruptly halted. He also noted Pres. Roh's offers of concessions to restart the 6PT and North Korea unwillingness to do so. Time was not unlimited, the DCM observed, given

the North's continuing nuclear program and the concern about the proliferation of WMDs and missiles. If we waited too long, he said, a lot of bad things could happen. VM Shin said the DCM's point was valid, but then (in a rather unclear allusion) went on to describe two different types of people: one who walked on roads and was used to comfort, and one who walked on unpaved roads, to whom rocks and other discomforts were acceptable. VM Shin said he recognized that North Korea did not keep its promises and sometimes acted irrationally. But, he said, if we looked at history, North Korea was "destined" to change. We needed to use pressure and dialogue in parallel, he recommended.

¶15. (SBU) VM Shin closed the meeting by saying he would like more in-depth discussions. A/S Fort replied that if VM Shin visited Washington, he would welcome hosting him and his staff. JR Kim, MOU Director of the International Cooperation Team, who also participated in the meeting, noted they were planning to visit in early November, to which A/S Fort replied he would welcome seeing them then. VM Shin gave the delegation gifts of MOU watches that were manufactured at Gaesong Industrial Complex. (COMMENT: The one given to the DCM did not work. END COMMENT.)

¶16. (U) Participants

United States:
Randall Fort, INR Assistant Secretary
John Merrill, INR Northeast Asia Division Chief
Bill Stanton, DCM
Glenn Baek, INR Korea Analyst
Grace Choi, poloff, notetaker

Korea (MOU):
Shin Eon-sang, Vice Minister of Unification
Kim Nam-shik, Deputy Minister for Intelligence Analysis
JR Kim, Director, International Cooperation Team

¶17. (U) This cable was cleared by A/S Fort.
VERSHBOW